

Evaluation of Average Spot Basket Options

Evaluation parameters		Market data			
		Riskless cc IR	4.879016%		
Evaluation date	10/1/2003	Riskless cc fwd. IR	4.879016%		
Horizon date	10/1/2003	No. of fixed spots per ul.	0		
		Sum of av. of fixed spots	0		
		Next fixing date	9/6/2006		
Contract data		Underlying 1	Underlying 2	Underlying 3	
No. of underlyings	3	Spot	44	33.61344538	
No. of averaging dates	25	Volatility	10.0%	10.0%	
1st averaging date	9/6/2006	Dividend rate (cc rate)	4.879016%	4.879016%	
Maturity	9/30/2006	Correlation coefficients			
Strike	89.70731092	Underlying 1	Underlying 2	Underlying 3	
Put/Call	Put	Underlying 1	0.5	0.5	
		Underlying 2	1	0.5	
		Underlying 3	0.5	1	
Results					
NPV	4.078182314	Underlying 1	Underlying 2	Underlying 3	
Delta		-0.39204672	-0.38001754	-0.384047918	
Gamma		0.026577031	0.026256316	0.026437108	
Interim values					
Modified strike	89.70731092				
Modified fwd. spot	90.61344538				
Modified volatility	8.2919993%				
Results from FinCad6.1 function aaAsian_basket_MC		Accuracy (2*sigma)	Percentage Accuracy	95% confidence interval	
No. of random trials	NPV			low	high
1000	3.895	0.346	8.89%	3.549	4.241
100000	4.086	0.036	0.88%	4.050	4.122
1000000	4.069	0.011	0.28%	4.058	4.080
40000000	4.078	0.002	0.04%	4.076	4.080
				Runtime/min	Processor
				0.02	Celeron 700MHz
				1	Celeron 700MHz
				ca. 13	Celeron 700MHz
				ca. 400	Celeron 700MHz

FIG. 5